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From: Kareem Murphy and Maria Gwinn
Re: Recently Announced Interoperability Communications Funding for
First Responders
Date: December 20, 2006

The Federal government expects to be providing up to \$1 billion in federal funding for interoperable communications for local governments. The Deficit Reduction Act of 2005 (*P.L. 109-171*) authorized the U.S. Department of Commerce to make grants for interoperable communications over a five-year period (2005 through 2010). Congress recently passed the Call Home Act, which would require the federal government to award the entire \$1 billion by the end of Fiscal Year (FY) 2007, which is September 30, 2007. **Final information on the application and funding award process has not yet been determined.** When final and complete information becomes available, The Ferguson Group will share that immediately. Below is a summary of information that is currently available on the program.

Administrative Agency: The Department of Homeland Security (DHS) will issue all grant guidance and will be the agency to which eligible entities may apply. The Office of Grants and Training will be the specific unit within DHS that will issue grant guidance and make final decision on awards.

Grant-making Timeline: DHS expects to issue preliminary grant guidelines by February 2007. Final grant guidelines will be included with the actual application package. DHS anticipates opening competition in the spring (by late-March or early May 2007). Award decisions will be announced by September 2007. Once awarded, a grant recipient will have up to three years to expend the funds or risk forfeiture.

Funding Award Process: DHS has tremendous discretion in terms of how it will actually distribute the funds. The agency has complete discretion to establish the criteria for the size of individual grant awards. For most of its major grant programs for local governments, DHS bases the size of awards on a combination of threat, risk, and relative preparedness. However, Congress did include some mandates in creating the program. All grant funds come with a 20% non-federal matching requirement. Also, DHS must set aside "a limited number of grant funds" to high threat areas, although it will determine the exact portion of the overall fund that will be set aside for such areas. Equally important, DHS will choose whether or not to make such awards to current designees under the Urban Area Security Initiative (UASI). *Unofficially, DHS appears inclined to proceed with a set aside for UASI regions.*

Eligible Entities: While all funds must be used to benefit public safety agencies (including their local government sponsors), DHS does have authority to administer funds to state governments, with a mandatory pass through to local governments. In this way, they would only allow state

governments to serve as the actual applicants. Under this scenario, states would have to include specific distribution plans so that federal grant dollars actually reached and/or benefited local governments within their boundaries. This is the funding model DHS currently uses with the State Homeland Security Grant Program and UASI. It is unlikely that DHS would open up the interoperable communications grant program to allow all local governments to apply for the funding because they are not set up bureaucratically to review applications, distribute grant funds, and money spending decisions for thousands of local governments. However, DHS has not determined a final application procedure as of December 2006.

Use of Grant Funds: Grant funds may be used to design and/or purchase an interoperable communications system, which must be appropriate for the applicant's topography, population density, and other characteristics pertinent to its emergency communications needs. Grant funds *may not* be used for the construction of dispatch centers, emergency operations centers, or other public safety- and Homeland Security-related agencies.

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